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TAGS: [PTER](#) [KTFN](#) [AE](#)
SUBJECT: U/S LEVEY LAUNCHES U.S./UAE JTFCC

REF: A. STATE 1287
[1](#)B. 05 ABU DHABI 720
[1](#)C. 05 ABU DHABI 4982

Classified by Ambassador Michelle J Sison for reasons
1.4 (b) and (d).

[1](#)1. (S) Summary. The U.S. and UAE held the inaugural meeting of the Joint Terrorist Financing Coordinating Committee (JTFCC) in Abu Dhabi on January 24, 2006. The Central Bank Governor began the meeting by questioning the value in having a JTFCC, but by the end acknowledged that there could be benefit in having a "brainstorming committee." He proposed that the two sides should "formalize" the role of the committee and put in some "transparency", so that the U.S. does not "take unilateral action without first consulting on issues that concern us." Although the pre-set agenda items (charities, cash couriers, UN 1267 designations, Iraq insurgency) were nominally covered, the UAE team focused primarily on explaining their laws and provided few, if any, examples of CFT enforcement action. Although the UAE fielded a robust interagency team at the Federal level, only Central Bank officials spoke, and there were no representatives from Dubai. Notably, during a lunch sidebar discussion of proliferation related entities, al-Suweidi indicated that it is considerably easier for the Central Bank to close accounts than to freeze them.

[1](#)2. (S/NF) Summary continued. On January 25, U/S Levey met with Dubai State Security Organization Chief Mohammed al-Qemzi to discuss the Shamsi case, Saleh al-Suweidi, Human Appeal International, and the Iraqi Insurgency. Al-Qemzi recognized Human Appeal International as a charity "run by the Muslim Brotherhood," and he promised to provide further information to SIMO. He was not receptive to the idea of designating Shamsi, explaining that he believes Shamsi has been rehabilitated,⁸ that he is no longer a threat under current restrictions imposed by Dubai State Security, and that designating him would not be to the benefit of the UAE. U/S Levey's meetings with the Dubai Department of Islamic Affairs and Charitable Activities and the Dubai Financial

Services Authority will be reported septel. End summary.

JTFCC MEETING

13. (S/NF) The U.S Delegation, led by U/S Stuart Levey, included Adam Szubin, Senior Advisor to the U/S; Policy Advisor Rachel Levenson; Treasury Analyst Matthew Epstein; Ahmed El Bashari, Treasury Middle East and North Africa Specialist; Jason Beal, OFAC Attache in Manama; Michael Morehart, Chief FBI Terrorist Finance Operations Section (TFOS); and Frank Waikart, FBI Special Advisor to the NSC. Embassy participants included Ambassador Sison, Econoff Amanda Curtis, Pol/Mil Chief Michael Epperson, ALAT Athena Lien, and DHS/ICE Attache Bill Wallrapp. The UAE Delegation, led by Central Bank Governor Sultan Nasser al-Suweidi, included Deputy Governor Mohammed al Falazi, three officials from the Banking Supervisions and Examination Department, two officials from the Anti-Money Laundering and Suspicious Cases Unit (AMLSCU); four officials from the Ministry of Interior; Dr. Mohammed al-Kamali from the Ministry of Justice; Yacoub al-Hosani, Director International Organizations Department at the Ministry of Foreign Affairs; Khaled al-Bustani, Assistant Undersecretary, Ministry of Finance; State Security officer Saif al-Muhairi; and Counselor Obaid Trais, Attorney General's Office. Hassan al-Sheikh from the Ministry of Labor and Social Affairs (the UAE body that regulates charities) was unable to attend.

14. (S) U/S Levey opened the JTFCC by thanking the UAEG for its participation and engagement on the issue of terrorism finance. Levey underlined the critical role combating terrorist finance plays in the global war on terror and offered that it was because of close US-UAE cooperation to date that he was there to help lead a bilateral interagency forum. The Central Bank Governor agreed about the importance of stopping terror financing, but stated that he did not see value added in forming the JTFCC, telling the U/S to "convince us." The Governor continued by saying, "Look how much the terror finance network has shrunk since we first started (after the September 11th attacks). I think we will not be able to stop it 100 . If you are aiming for that, then you should review your goals." Levey replied that though it is tempting to celebrate what we have done so far and tick off accomplishments, we can not be satisfied and must continue to work to shut these flows down. Al Suweidi said that the UAE has already enacted a strong regulatory framework, and it conducts trainings and conferences to educate people in the UAE and regionally. He said he thinks the main efforts now should be targeted at cultural changes, i.e. addressing why people become extremists. "Your way is not always the right way. We may have different opinions on how to approach these issues, but we have the same end goals." Ambassador and Levey both assured the Governor that one of the purposes of the JTFCC is to provide a forum for the UAE to discuss their approach. The Governor responded positively to this, noting that there could be benefit in having a "brainstorming committee." Governor al Suweidi stated that the UAE would need a formal framework for the JTFCC. "I also think we need to plug in some transparency in how we do things. We do not want you to take unilateral action without first consulting on issues that concern us." Levey explained that the forum could be used as a venue to discuss respective views and approaches. The Governor said that the UAE team would consult internally and come back to us.

Charities

15. (S) The representative from the Ministry of Labor and Social Affairs (the UAE ministry that regulates charities) did not attend the JTFCC for reported health reasons. As a result, the team was unable to have a full discussion of charity regulation and oversight. Abdulrahim al-Awadi, the Executive Director of the Anti-Money Laundering and Suspicious Cases Unit (AMLSCU), gave a brief overview of the

1974 federal law governing charities. He also noted that in 1993 the Central Bank issued a regulation that requires charities to present their license from the Ministry of Labor and Social Affairs in order to open bank accounts in the UAE.

Al-Awadi stated his belief that under Islam, end users of charitable donations should be identified, but that donors should be able to remain anonymous (Note: It was established in a separate meeting reported septel that the rules of Islam do not prohibit the government from knowing the identity of the donating party). FBI TFOS Chief Michael Morehart described the criminal side of charity enforcement in the United States to show that the U.S. brings all resources together to take necessary action. U/S Levey expressed his desire to discuss CFT enforcement against charities with the UAE in the near future.

¶6. (S) U/S Levey raised the issue of Human Appeal International (HAI) and briefly outlined the USG's concerns with this UAE-based charity. Governor al Suweidi said he would discuss these concerns with the Ministry of Labor and Social Affairs. (Note: On January 28, SIMO passed a copy of the HAI paper to the federal State Security Department, and Ambassador provided a copy to the Central Bank Governor. End note.)

Cash Couriers

¶7. (C) Governor al-Suweidi explained that individuals must declare cash imports of more than 40,000 dirhams (USD 10,900). He stated that the UAE may need to revise the law due to the establishment of the GCC Customs Union, and that the UAE will include a requirement to declare exports as well. Al-Awadi reported that the Central Bank has conducted trainings for customs officials, and he said that customs submitted a report indicating that there has been an increase in the number of declarations. He stated that this increase indicates that the training and awareness campaigns have paid off. Al-Awadi also noted that some cases of individuals failing to declare their imports have been referred to judicial authorities, but he was unable to provide any details on the cases. During the January 25 meeting with SSO Chief, al-Qemzi noted that SSO and Dubai Customs have agreed that Customs officials will confiscate undeclared cash until the conclusion of the investigation. Al-Qemzi noted that he has been working with Central Bank officials to close the loopholes in the law regarding cash imports, but he did not provide specifics on what needed to be changed.

UNSCR 1267

¶8. (C) U/S Levey outlined that the USG is encouraging other countries to sponsor UN designations, noting that the UN 1267 Committee issued a report stating that countries are not submitting enough names. Levey explained the utility of naming terrorist supporters and financiers) if banks do not have complete lists of these people and entities, we prevent our financial sectors from acting as full partners with us. Governor al Suweidi stated that the UAE does not have enough resources to be able to do the requisite research to submit a name for designation. He observed that the UAE asked the UN a question about Viktor Bout two years ago, and is still awaiting an answer. He noted that designations should not be taken lightly. He also said that the UAE is a small country and that since the U.S. has the network, ability, and resources, it is logical that it has been able to submit the most names for designation.

Iraq Insurgency

¶9. (S) Al-Suweidi opened the discussion of this agenda item by noting that the UAE has been working with FinCEN requests on the lists regarding Iraq insurgency members. He said they are willing to cooperate if the U.S. will provide names of people who are potential insurgency members. He said the UAE is willing to watch any individuals we are concerned about. U/S Levey mentioned Khalaf al-Dulaymi, an individual designated pursuant to UNSCR 1483, which calls on member states to freeze the assets of senior officials of the former

Iraqi regime. Levey thanked the Governor for his cooperation.

Freezing vs. Closing Accounts

¶10. (C) After the JTFCC meeting, the Central Bank Governor hosted a lunch for the delegation. During lunch, U/S Levey, Ambassador, and the Central Bank Governor discussed non-proliferation and Iran. U/S Levey proposed that the Central Bank take the initiative in recommending to banks that they close off business with entities known or believed to be engaging in illicit financial activity with regard to WMD. The Governor was receptive to this possibility, noting that it is considerably easier for the Central Bank to close an account than it is to freeze an account.

----- Dubai State Security - Shamsi, Muslim Brotherhood -----

¶11. (S) On January 25, U/S Levey met with Dubai State Security Organization (SSO) Chief Mohammed al-Qemzi. Ambassador opened the meeting by outlining the JTFCC meeting and noting her disappointment that no one from Dubai attended. Al-Qemzi noted that the SSO would have participated had they been invited by the federal authorities. Al-Qemzi outlined a computer software program that SSO has developed for the Central Bank that tracks transactions of the small exchange houses and hawalas. He said that the software is a database with search tools, but he noted that the Central Bank "needs to be convinced" to implement it.

¶12. (S) U/S Levey raised his concerns about al-Qa'ida financier Salah Salim Muhammad Ghanim al-Shamsi. Al-Qemzi, confirming that al-Shamsi is an admitted financier of al-Qa'ida and UBL, noted that since Shamsi's activities predated the UAE's 2004 law criminalizing terrorist financing, the UAE regrettably could not prosecute him for his actions. Al-Qemzi, clearly prepared to respond, read verbatim from a notebook the terms of Shamsi's release (NOTE: Shamsi spent a combined 15 months in detention according to Dubai SSO). According to al-Qemzi, Shamsi cannot leave the country, he has to report on a regular basis to an officer, he was forced to change his phone numbers so that his past associates cannot contact him, the license for his religious education center in Sharjah was cancelled, he cannot leave Dubai without permission of the SSO, and he is not allowed to visit the bookstore that he previously owned. Al-Qemzi noted that Shamsi needed financial assistance to pay off his debts, which was provided by the Ruler of Sharjah. Al-Qemzi stated that Shamsi no longer had intelligence value, as Dubai SSO has debriefed him on everything he knows. U/S Levey, referencing Shamsi's substantial post-9/11 support for terrorism, pressed al-Qemzi on the idea of designating Shamsi. U/S Levey explained that the USG wants to hold people like him accountable to send a message that it is unacceptable to finance terrorism. Al-Qemzi stated that he thinks the provisions of Shamsi's parole are very "strict and severe." U/S Levey pointed out that Shamsi would have likely received a 15 year prison sentence had his acts been committed after the terrorism law took effect. Al-Qemzi said that the UAE community associated with Shamsi knows about his actions and that they are unacceptable, and he said he does not see why the UAE needs to make the case public in the international area. "This would just show people that there are extremists in the UAE, and that does not benefit us." Al-Qemzi also said that making Shamsi's actions public could cause extremists to view him as a hero, and therefore al-Qemzi believes that imposing restrictions is more effective than publicly designating, adding "I think he is suffering enough." U/S Levey made his disagreement clear.

¶13. (S/NF) Ambassador asked al-Qemzi if there have been any financial prosecutions under the 2004 CT law. Al-Qemzi said that in 2005 Ali Sa'id al-Kindi was sentenced to a seven year imprisonment, but he observed that the case has not been made

public.

¶14. (S) When U/S Levey provided al-Qemzi with a copy of the HAI paper, al-Qemzi glanced at it and immediately responded "Yes, they are run by the Muslim Brotherhood." He then provided an overview of the Muslim Brotherhood (MB) in the UAE, noting that they have a secret network and agenda, dealing with terrorists privately while presenting a moderate face publicly. Al-Qemzi complained that the MB has unjustifiably enjoyed a great deal of political support in Europe and the U.S. as a moderate Muslim organization. "I do not worry about takfiris, because I know what they look like. I worry about the Muslim Brotherhood." He said that the MB has worked to infiltrate the UAE's NGOs (specifically the teachers, judges, and jurists associations), businesses and government institutions to try to have some influence and control over them. He said that local MB members were part of a much larger, hierarchical MB network, under the direction of the International Muslim Brotherhood and its General Guide Muhammad Akif, dedicated to the establishment of an Islamic empire. Al-Qemzi noted that the groups associated with the MB actively try to frustrate steps the UAE takes to counter the jihad extremist ideology, for example MB groups complain publicly over things like the UAE's moderate, unified sermons in the mosques. He concluded by saying that one of the challenges in tracking and targeting the MB network internationally is that it is good at isolating itself. "When a part of the organization wants to engage more directly in violence, they create a breakaway group, and this makes it hard to connect the group directly to the MB." As such, Dubai SSO considers the MB to be &very dangerous8 and offered to share information with the USG on its international activities. (Comment: In the past, Embassy and SIMO officers have felt that UAE officials remarks about the MB in the UAE were references to extremists in general -- and not to a specific, organized group. Al-Qemzi's comments indicate the SSO is concerned about the MB as an organization. SIMO in Dubai will follow up with the SSO to get more details on SSO's perception of the MB in the UAE. End comment.)

¶15. (S) U/S Levey told al-Qemzi that the U.S. is concerned about unidentified al-Qa'ida financier Saleh al Suweidi, who is reportedly in the UAE. U/S Levey told al-Qemzi that the Saudis raised al Suweidi with him during his January 21-22 visit to KSA, offering that they had a phone number associated with him (Note: FBI TFOS will try to obtain and pass this number to UAEG. End note.). U/S Levey noted that the Saudis said the UAE knew of Saleh al-Suweidi. Al-Qemzi clearly did not seem to understand who U/S Levey was talking about, but he said he would check into the matter and follow up with liaison. (Note: The discussion between al-Qemzi and U/S Levey on nonproliferation financing issues will be reported septel.)

Comment and Next Steps

¶16. (S) Comment. When Homeland Security Advisor Fran Townsend initially proposed the idea of a JTFCC to Governor al-Suweidi during her February 2005 meeting, the Governor expressed skepticism, asking how we found the current relationship with the Central Bank "lacking" (ref B). Once the proposal for the JTFCC had been passed to the UAEG, Ambassador again discussed it with the Central Bank Governor (ref C). Governor al-Suweidi said that the political leadership would decide whether a JTFCC was established or not. In order to obtain the support of the UAE's senior leaders, Ambassador discussed the JTFCC with ruling family members Sheikh Abdullah bin Zayed, Hamdan bin Zayed, and Mohammed bin Zayed. MinState for Foreign Affairs Sheikh Hamdan instructed the Central Bank to form the committee, and he specified which federal agencies were to participate. Despite these instructions, the Central Bank Governor clearly was not on board with the concept at the beginning of the JTFCC meeting. Although the JTFCC got off to a rocky start, Governor al-Suweidi acknowledged at the conclusion of the

lunch that there are subjects of mutual interest worth discussing in a forum like this.

¶17. (S/NF) Next Steps. Ambassador will continue to work with members of the ruling al-Nahyan family to maintain momentum for the JTFCC. She will note disappointment with the fact that no one from Dubai was present at the meeting (despite Dubai being the financial center of the UAE) and that we were unable to discuss charity regulation due to the absence of a Ministry of Labor and Social Affairs representative. Meanwhile, LEGAT and SIMO will put in the pipeline a series of requests to liaison and law enforcement officials, framing the requests "as a follow-up to the JTFCC..." This will set the marker so that at the next JTFCC meeting we can measure progress (or lack thereof) on actions and responses. If the Governor continues to request "formalizing" the committee's role and putting in "transparency," Embassy will explain that this is to be a brainstorming and coordinating committee, and that (as outlined in the JTFCC proposal paper) day-to-day interaction between the USG and the UAEG will continue as it did before.

¶18. (C) Embassy proposes that the second JTFCC meeting be held in May, and that it should focus on enforcement, in order to focus the discussion on actions taken rather than lists of laws and regulations. Embassy suggests proposing three subgroups for the JTFCC - Enforcement, Charities, and Measures Against Financiers in order to focus the participants and facilitate discussion by other UAEG agencies.

SISON